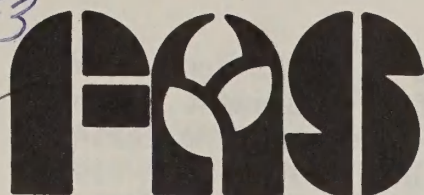


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REPORT

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United States
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WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 46-81

WASHINGTON, Nov. 18--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following recent developments in world agriculture and trade.

GRAIN AND FEED

In SOUTH AFRICA, adverse weather conditions have been experienced over the corn producing areas. Rains during September hampered field preparation only to be followed by cold dry weather in October which retarded plant development. In early November, dry weather along with abnormally high temperatures reduced soil moisture levels further. Recent showers have improved conditions somewhat. While it is still too early to evaluate the effects of these extremes in weather conditions, prospects for the 1982 corn crop will be reduced if a more favorable weather pattern does not come soon. The 1982/83 South African corn crop currently is estimated at 11.5 million tons, compared with a record 14.3 million for 1981/82. However, due to large carryover stocks, South Africa is still expected to export 4.7 million tons in its 1982/83 marketing year (May-April), about the same as the current marketing year.

ARGENTINA'S grain producing areas have received much needed rainfall over the last few weeks, but it was too late to benefit wheat yields. Wheat production is currently estimated at 7.5 million tons, with exports anticipated to be 3.8 million tons, somewhat below 1980/81 levels. The extended dry period also adversely affected corn plantings, resulting in a shift from corn to sorghum and oilseeds. As a result, corn area is now estimated to be 350,000 hectares below the October level and production is estimated at 9.5 million tons, down 9 percent from a month ago. Corn exports are expected to be around 6 million tons, about 1 million tons below previous expectations.

The recent rains in Argentina improved soil moisture levels which should improve conditions for sorghum production. This, in combination with increased area planted to sorghum, is expected to result in a crop of 6.6 million tons. Total coarse grain exports are estimated at 10.5 million tons for the marketing year (Mar. 1981-Feb. 1983).

Roughly, one-third of Argentina's unplanted corn area is expected to be shifted to soybeans. The soybean harvested area is now estimated at 1.95 million hectares and the 1982 crop is forecast at 4.3 million tons.

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In JAPAN, hop production for 1981 is estimated at 1,285 tons, down about 30 percent from 1980 as a result of heavy damage from inclement weather. This, in combination with small stock levels and gradually increasing beer production, is expected to result in record imports in 1981/82, with West Germany as the leading supplier.

YUGOSLAVIA's hop production for 1981 is estimated at 4,966 tons, 4 percent above the 1980 level. Nevertheless, increased exports of hops during the last few years, due largely to attractive world prices and a shortage of foreign exchange for imports of hop extracts, has led to reduced use of hops in the production of domestic beer. The outlook is for hop acreage to continue increasing. If world prices continue favorable, Yugoslav hop area may exceed the planned 4,000 hectares by 1985.

In CZECHOSLOVAKIA, the 1981 grain harvest is estimated at 10 to 12 percent below last year's output and this year's plan. According to recent press articles, this is expected to reflect directly on feed supplies, as the Czechs are pessimistic about replacing the domestic shortfall with imported grain. The largest impact of the reduced feed supplies is expected to occur in the swine and poultry sectors. Cattle will be less affected since roughage supplies are more ample and can be substituted for grain.

Despite CHINA's current outlook for large grain imports, China's State Council recently allocated an additional 5 million tons of grain for food and beverage processing. The allocation of more grain at this time indicates the importance the government now places on developing the food processing industry.

The modernization and development planned for China's food processing industry is to be coordinated by a recently established National Food Processing Industry Association. Heretofore, development has lagged and has been piecemeal, resulting in gross inefficiencies, insufficient storage and "alarming waste" of perishable foodstuffs. The new association is to provide unified planning and coordination, thereby reducing or eliminating the bottlenecks that plagued the industry in the past, accelerating growth and increasing output for domestic consumption, export and tourism.

DAIRY, LIVESTOCK AND POULTRY

World POULTRY MEAT production in 1982 is forecast to increase about 2 percent from 1981. With domestic consumption in many of the leading exporting countries likely to increase significantly less than production, export availabilities are expected to rise. At the same time, demand in the major importing countries is expected to continue to grow faster than production, resulting in opportunities next year for unprecedented levels of world trade in poultry meat, especially chicken.

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JAPAN's poultry and egg producers are tending to limit production increases as production expenses continue to escalate, in order to strengthen prices and maintain profitability. The increasing gap between consumption and production is being filled by greater imports. Japanese broiler production during 1981 will fall for the first time in recent years. Smaller slaughter numbers and lighter finishing weights for broilers will reduce total poultry meat production in 1981 by about half a percent. The current forecast for 1982 is that conditions in Japan will be more favorable for poultry producers, resulting in a 2-percent increase in production. Similarly, egg production is expected to decline 1 percent in 1981 but remain steady in 1982.

Pork production in POLAND is expected to rebound sharply in 1982 because of a recovery in the potato crop which reached 45 million tons in the 1981/82 season. This is 73 percent above the unusually low 26.4-million-ton level of 1980/81. Potatoes are a major source of hog feed in Poland. Polish pork production in 1981 is expected to be about 20 percent below the 1980 level due to both reduced slaughter and lower carcass weights. In 1982, production is expected to be up about 18 percent because of a 3- to 4-percent increase in slaughter and a 14-percent increase in market weights. Weights are up from the 100 to 110 kilograms that characterized 1981, to about 120 kilograms, a more normal level.

JAPAN's pork production in 1981 is projected to fall by 90,000 tons (carcass weight equivalent) to 1,385,000 tons. This drop in production, following four years of increase, is expected to result in record pork imports of approximately 180,000 tons (product weight), compared with about 110,000 tons in 1980. The Aug. 1 census estimated that Japanese sow numbers were up less than 1 percent from 1980 and down about 3 percent from 1979 levels, an indication that production during 1982 may be unchanged from 1981.

COTTON

The SOVIET UNION's expectations for this season's large cotton crop have been complicated by weather and handling problems. Wet, cold weather has hampered harvesting progress, particularly in Uzbekistan and Turkmenistan. These unfavorable conditions, coupled with the already late harvest resulting from delayed cotton emergence, lower prospects for a quality crop.

In addition, reports suggest that a number of ginning facilities have been unable to process wet cotton and are returning the cotton to farm drying and cleaning equipment centers. Reports also indicate that equipment at some centers has not been maintained, thus posing further processing delays. Based on these factors, it is likely that the 1981 Soviet crop will be lower in quality than that of 1980.

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HORTICULTURAL AND TROPICAL PRODUCTS

MEXICO's potato production in 1981 increased 20 percent from 1980 to over 1 million tons. This increase reflects continued growth in demand and higher prices. In 1981, contract prices doubled, reflecting a shortage of seed potatoes. In the short-term, the seed potato shortage is the primary limitation to a more rapid expansion in production.

In EGYPT the 1981/82 citrus crop is expected to total 1.15 million tons, 8 percent above last year season's combined crop of 1.07 million tons. The increase in output is primarily the result of higher yields from more mature trees, and new groves reaching the production stage. Crop forecasts for the 1981/82 season are as follows in 1,000 tons.

	1980/81	1981/82
Sweet oranges	921	1,000
Tangerines	70	75
Limes	72	75
Other	4	4
Total	1,067	1,154

OILSEEDS AND PRODUCTS

FISH MEAL OUTPUT in the major producer-exporter countries slackened in August, compared with previous months as well as a year earlier. However, exports gained somewhat. During January-August, aggregate fish meal production gained 3 percent, but fish meal exports declined by about 25 percent. The data are as follows in 1,000 tons:

	<u>JanuaryAugust 1980</u>		<u>January - August 1981</u>	
	<u>Production</u>	<u>Exports</u>	<u>Production</u>	<u>Exports</u>
Chile	343.1	261.7	423.2	222.4
Iceland	97.3	103.3	68.3	66.1
Norway	211.0	183.3	233.5	192.5
Peru	337.4	315.2	296.6	170.0
South Africa	<u>147.3</u>	<u>8.8</u>	<u>150.6</u>	<u>4.1</u>
Total	1,136.1	872.3	1,172.2	655.1
Averages:				
Jan-Mar	152.3	112.2	124.9	67.6
Apr-Jun	155.7	115.7	166.5	96.4
July	76.9	106.4	181.1	66.8
August	135.2	82.3	116.7	96.5

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In VENEZUELA, the Ministry of Agriculture has announced a program to introduce calf milk replacer. Officials indicate that 400 tons of milk replacer will be made available to dairymen throughout the country. The use of milk replacers would increase milk sales, improve producer profit margins and supply the replacement females with adequate feed. This program in time could represent a significant plus for U.S. exporters of milk replacers.

U.S. SOYBEANS cumulative disappearance (inspections for export plus the National Soybean Processors Association's crushings) during the first ten weeks of the 1981/82 marketing year amounted to 9.9 million tons--1.3 million tons or 15 percent above the same period a year ago. The recovery in U.S. soybean disappearance reflects the fact that the U.S. soybean supply is up 13 percent and prices as of Nov. 6 were 25 percent below a year ago.

Cumulative soybean exports through Nov. 5, at 4.3 million tons, were up 42 percent while crushings, at 5.6 million tons, were approximately unchanged.

U.S. soybean disappearance for the week ending Nov. 5 totaled 1.2 million tons--12 percent above the same period a year ago and 22 percent above this season's average weekly rate.

SPAIN began its first major imports of sunflowerseed on Nov. 5 when the government purchased 128,000 tons for delivery before Dec. 31. About 95 percent of the purchases reportedly are of U.S. origin and the remainder from Canada.

Trade sources indicate that Spain may purchase an additional 80,000 tons after Jan. 1, 1982, for delivery in February or March. These imports are required as a result of the sharply reduced domestic crop which was adversely affected by drought and above-normal temperatures.

Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam, the Netherlands, compared with a week earlier and a year ago:

:Item	: : : : :	Nov. 17, 1981	: : : : :	Change from previous week	: : : : :	A year ago
		\$ per m. ton	\$ per bu.	¢ per bu.		\$ per m. ton
Wheat						
Canadian No. 1 CWRS-13.5%.....	<u>1/</u>	<u>1/</u>	<u>1/</u>			<u>1/</u>
U.S. No. 2 DNS/NS: 14%.....	198.00	5.39	+3			228.50
U.S. No. 2 DHW/HW: 13.5%.....	212.50	5.78	+1			232.00
U.S. No. 2 S.R.W.....	188.00	5.12	-5			229.50
U.S. No. 3 H.A.D.....	198.00	5.39	+3			290.00
Canadian No. 1 A: Durum.....	<u>1/</u>	<u>1/</u>	<u>1/</u>			<u>1/</u>
Feed grains:						
U.S. No. 3 Yellow Corn.....	125.75	3.19	-2			174.50
U.S. No. 2 Sorghum <u>2/</u>	134.00	3.40	-5			191.00
Feed Barley <u>3/</u>	146.00	3.18	-3			210.00
Soybeans:						
U.S. No. 2 Yellow.....	254.90	6.94	-17			365.50
Argentine 4/.....	<u>1/</u>	<u>1/</u>	<u>1/</u>			<u>1/</u>
U.S. 44% Soybean Meal (M.T.)..	228.00	--	-3.50 <u>5/</u>			337.00
EC Import Levies						
Wheat <u>6/</u>	76.90	2.09	-7			81.60
Barley.....	84.95	1.85	+3			52.40
Corn.....	109.00	2.77	+5			87.90
Sorghum.....	95.95	2.44	+6			69.90

1/ Not available.

2/ Optional delivery: U.S. or Argentine Granifero Sorghum.

3/ Optional delivery: U.S. or Canadian Feed Barley.

4/ Optional delivery: Brazil yellow.

5/ Dollars per metric ton.

6/ Durum has a special levy.

Note: Basis December delivery.

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